# BEFORE THE ARKANSAS SECURITIES COMMISSIONER 12 SEP 14 PM 1: 35

IN THE MATTER OF:

ARKANSAS SECURITIES DEPT.

Order No. S-11-0315-12-OR02

TRAIL CREEK CROSSING, LLC

RESPONDENT

# CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 ("Act"), the Rules of the Arkansas Securities Commissioner ("Rules") promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department ("Staff"), and Trail Creek Crossing, LLC ("TCC") in full and final settlement of all claims that could be brought against TCC by the Staff on the basis of the facts set forth herein.

TCC admits the jurisdiction of the Act and the Arkansas Securities Commissioner ("Commissioner"), waives its right to a formal hearing, consents to the entry of this order, and agrees to abide by its terms. TCC also agrees that entry of this order has no impact on its potential civil liability to Arkansas investors under Ark. Code Ann. § 23-42-106 for the violations detailed below.

#### FINDINGS OF FACTS

- 1. TCC is an Idaho limited liability company with its principal place of business located at 970 W. Broadway #446, Jackson, Wyoming 83001.
- 2. Thomas Garlock is the managing member of TCC and Teton Land and Development Group.

- 3. A search of the records of the Arkansas Securities Department ("Department") shows that TCC filed a Notice of Sales of Securities on United States Securities and Exchange Commission ("SEC") Form D on March 22, 2010, for sales of membership interests in the company pursuant to Regulation D, codified at 17 C.F.R. §§ 230.501 through 230.508. There was one Arkansas investor for an amount of \$60,000.00. The date of first sale in Arkansas occurred on March 9, 2010.
- 4. No other registration or exemption was filed with the Department.
- 5. Teton Land and Development Group, managed by Garlock, has a website located at http://www.tetonlanddevelopment.com ("website").
- 6. The website features a section for Teton Land and Development Group projects. Listed among the projects is Trail Creek Crossing with a link to www.trailcreekcrossing.com ("Trail Creek website").
- 7. When viewing the Trail Creek website, a link is provided for investors. Upon entering only a name and email address, a person is provided with investment information about the Trail Creek Crossing project. Prospective investors are encouraged to call for information about the investment.

## LEGAL AUTHORITY AND CONCLUSIONS OF LAW

- 8. Ark. Code Ann. § 23-42-501 provides that it is unlawful for any person to offer or sell any security which is not registered or which is not exempt from registration under the terms of the Act.
- 9. Ark. Code Ann. § 23-42-102(9) defines issuer as any person who issues or proposes to issue any security.
- 10. Pursuant to Rule 502(c) of Regulation D, neither the issuer nor any person acting on its

- behalf shall offer or sell the securities by any form of general solicitation.
- 11. Although insignificant deviations from Regulation D will not result in a loss of the exemption, Rule 508(A)(2) states that failure to comply with Rule 502(c) shall be deemed to be significant to the offering as a whole and therefore result in loss of exemption.
- 12. The membership interests offered herein are securities pursuant to Ark. Code Ann. § 23-42-102(15)(A)(ii).
- 13. The facts set out above in paragraphs one through seven illustrate that TCC offered unregistered securities in violation of Ark. Code Ann. § 23-42-501.
- 14. Entry of this order does not affect the potential civil liability to Arkansas investors under Ark. Code Ann. § 23-42-106.

## **ORDER**

The facts set out in paragraphs one through seven support the conclusions of law set out in paragraphs eight through fourteen. The Commissioner finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. The Staff and TCC are desirous of settling this matter as hereafter set forth and agree to the entry of this Order.

Based upon the foregoing, it is therefore ORDERED:

- 15. TCC shall, within 10 days of the entry of this Order, pay a fine to the Department in the amount of \$1,000.00. Respondent shall make said payment by money order or cashier's check payable to the Arkansas Securities Department, 201 E. Markham, Suite 300, Little Rock, Arkansas 72201.
- 16. It is agreed that TCC enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

- 17. It is further agreed that the Commissioner has jurisdiction to enter this Order.
- 18. In consideration of the foregoing, TCC waives its rights to a hearing in this matter and to judicial review of this Order.

IT IS SO ORDERED.

A. Heath Abshure

ARKANSAS SECURITIES COMMISSIONER

September 14, 2012
Date

TCC hereby agrees to the entry of this Consent Order, and consents to all terms, conditions, and orders contained therein, and waives any right to an appeal of this Order.

Trail Creek Crossing, LLC

Approved as to form by:

Kevin Keenan

Attorney for Respondent

Attorney for Respondent

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Arkansas Securities Department